

ASSEMBLY BILL

No. 2427

Introduced by Assembly Member Jones-Sawyer

February 21, 2014

An act to add and repeal Section 17052.7 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2427, as introduced, Jones-Sawyer. Personal income tax: credits: qualified teachers.

The Personal Income Tax Law allows various credits against the tax imposed by that law.

This bill would, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, allow a credit against that tax for amounts paid or incurred by a qualified teacher, as defined, for instructional materials and classroom supplies, as defined, not to exceed \$250.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) While ensuring that a quality education for all of California's
- 4 school children is a shared responsibility of the general public, it
- 5 is foremost the duty of individual parents and teachers.

(b) State tax relief for education expenses, leveraged with current federal deductions, can further support and strengthen new teachers for successful careers in their noble profession.

SEC. 2. Section 17052.7 is added to the Revenue and Taxation Code, to read:

17052.7. (a) (1) For each taxable year beginning on or after January 1, 2014, and before January 1, 2019, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to the amount paid or incurred by a qualified teacher during the taxable year for instructional materials and classroom supplies, not to exceed two hundred fifty dollars (\$250), except as provided in paragraph (2).

(2) Subject to the maximum credit amount allowed per qualified teacher, for two qualified teachers who are married to each other and filing a joint return, the credit shall not exceed five hundred dollars (\$500).

(b) For purposes of this section:

(1) “Instructional materials and classroom supplies” means books, supplies, computer equipment, including related software and services and other equipment, and supplementary materials used in the classroom, including, but not limited to, supplies for courses in health and physical education, the amount paid or incurred for which is otherwise deductible under Section 162 of the Internal Revenue Code and not reimbursed.

(2) “Qualified teacher” means a teacher who meets all of the following requirements:

(A) The individual has worked at least 900 hours in the school year as a teacher, in a school offering instruction in kindergarten or any of grades 1 to 12, inclusive, in California at a public, charter, or private school that has a current private school affidavit on file with the State Department of Education in a school year.

(B) The teacher is primarily engaged in the duty of imparting knowledge to pupils by teaching, instructing, or lecturing.

(C) The teacher customarily and regularly exercises discretion and independent judgment in performing the duties of a teacher.

(D) The teacher is not employed as a tutor, teaching assistant, instructional aide, student teacher, day care provider, vocational instructor, or similar position.

(c) The credit allowed pursuant to this section shall be available as follows:

1 (1) For taxable years beginning on or after January 1, 2014, and
2 before January 1, 2015, the credit shall be allowed only to a
3 qualified teacher with no more than one year of employment as a
4 qualified teacher.

5 (2) For taxable years beginning on or after January 1, 2015, and
6 before January 1, 2016, the credit shall be allowed only to a
7 qualified teacher with no more than two consecutive years of
8 employment as a qualified teacher.

9 (3) For taxable years beginning on or after January 1, 2016, and
10 before January 1, 2019, the credit shall be allowed only to a
11 qualified teacher with no more than three consecutive years of
12 employment as a qualified teacher.

13 (d) In the case where the credit allowed by this section exceeds
14 the “net tax,” the excess may be carried over to reduce the “net
15 tax” in the following year, and succeeding four years if necessary,
16 until the credit is exhausted.

17 (e) (1) The Franchise Tax Board may prescribe rules, guidelines,
18 or procedures necessary or appropriate to carry out the purposes
19 of this section.

20 (2) Chapter 3.5 (commencing with Section 11340) of Part 1 of
21 Division 3 of Title 2 of the Government Code shall not apply to
22 any standard, criterion, procedure, determination, rule, notice, or
23 guideline established or issued by the Franchise Tax Board
24 pursuant to this section.

25 (f) This section shall remain in effect only until December 1,
26 2019, and as of that date is repealed.

27 SEC. 3. This act provides for a tax levy within the meaning of
28 Article IV of the Constitution and shall go into immediate effect.